

Kansas State University Libraries

## New Prairie Press

---

Center for Engagement and Community  
Development

Rural Grocery Summit

---

### The Honor Capital and Save-A-Lot Partnership

Donna Leuchten Nuccio

*The Reinvestment Fund*

Marcus Scarborough

*Honor Capital LLC*

Tom Altadonna

*Save-A-Lot*

Follow this and additional works at: <https://newprairiepress.org/cecd>



This work is licensed under a [Creative Commons Attribution-Noncommercial-No Derivative Works 4.0 License](#).

---

Leuchten Nuccio, Donna; Scarborough, Marcus; and Altadonna, Tom (2018). "The Honor Capital and Save-A-Lot Partnership," *Center for Engagement and Community Development*. <https://newprairiepress.org/cecd/ruralgrocery/2018/14>

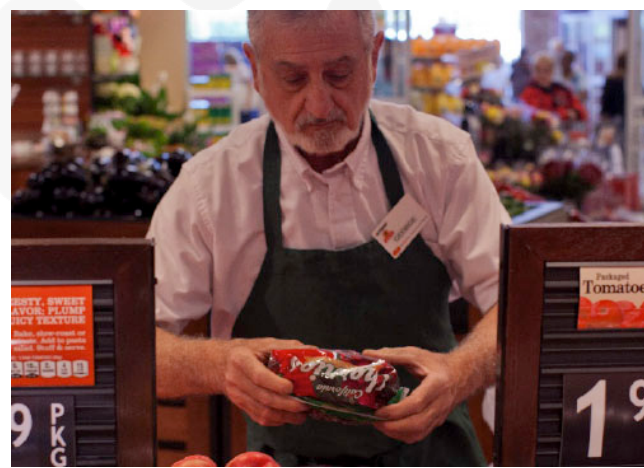
This Event is brought to you for free and open access by the Conferences at New Prairie Press. It has been accepted for inclusion in Center for Engagement and Community Development by an authorized administrator of New Prairie Press. For more information, please contact [cads@k-state.edu](mailto:cads@k-state.edu).



REINVESTMENT  
FUND



HONOR CAPITAL  
VETERANS BUILDING COMMUNITY



# Honor Capital & Save-A-Lot Partnership

---

Marcus Scarborough, Honor Capital

Donna Nuccio, Reinvestment Fund

Sponsored by:

**Bank of America** 

# Today's Agenda

---

1. Introduction to Reinvestment Fund and Honor Capital
2. Save-a-Lot franchise structure
3. Benefits of the franchise model for financing
4. Reinvestment Fund and Honor Capital projects



# Reinvestment Fund

**\$2 billion** in community investments

**\$1 billion** of capital under management

**865** individual & institutional investors

**3,000** projects financed

STANDARD & POOR'S  
RATINGS SERVICES  
**S&P**  
**AA**

**GSG**  
**HONORS**  
**2017**  
Global  
Impact Asset  
Manager



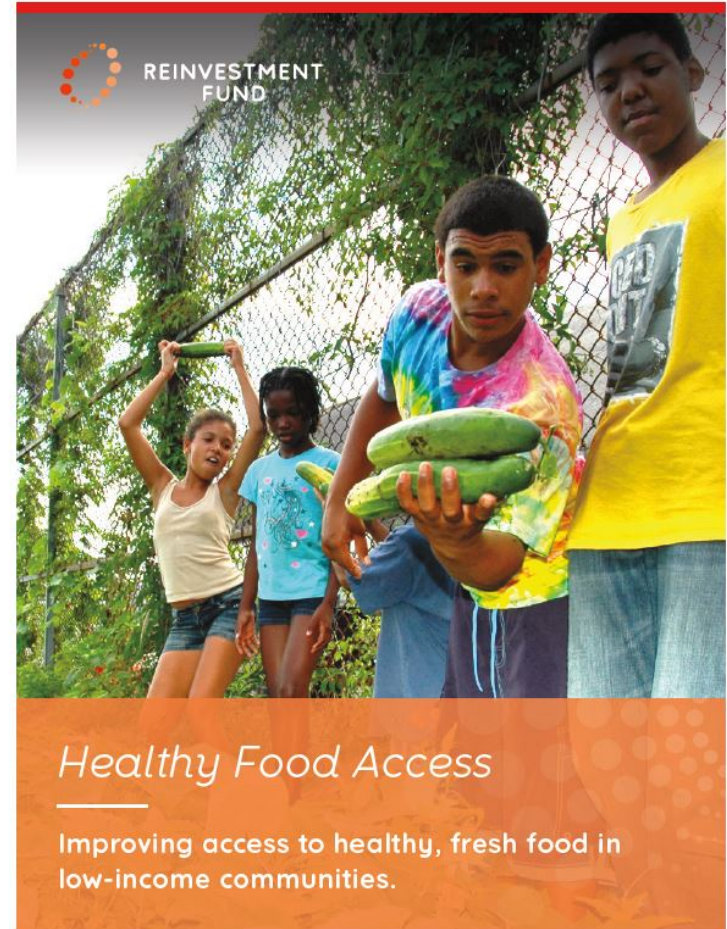
# How We Work to Improve Healthy Food Access

Financing

Research & Analysis

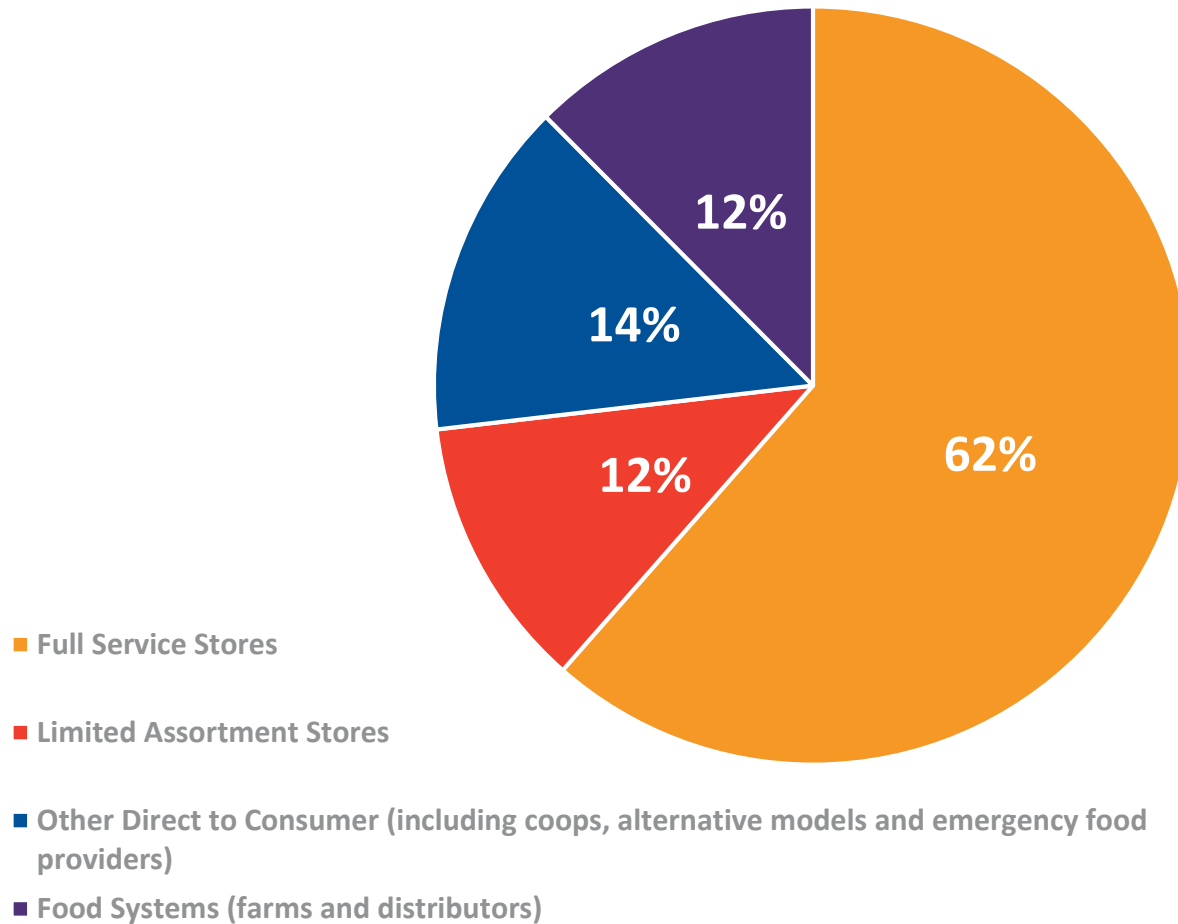
Capacity Building

Public Policy



# Our Food Investments

**\$295 million** in food related investments.\*



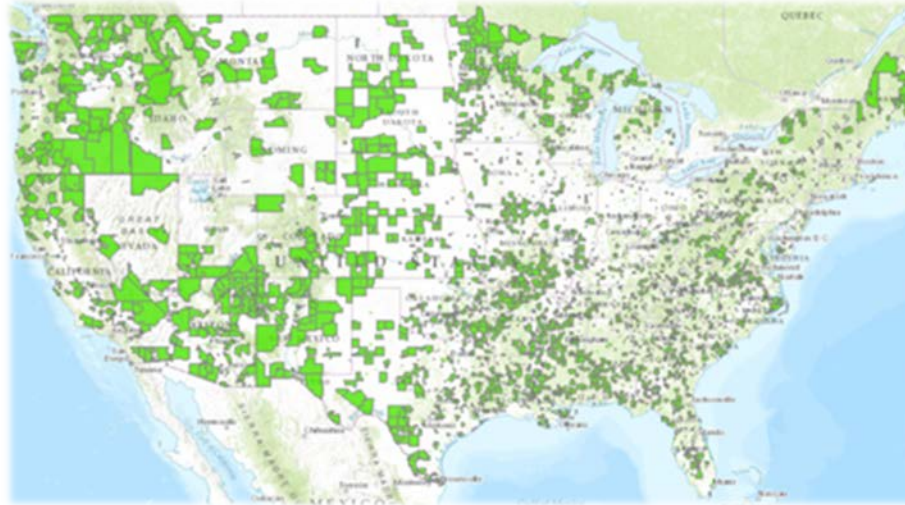
# USDA Healthy Food Financing Initiative

---

- Program of the USDA
- Established by the Agricultural Act of 2014 (Farm Bill)
- Program seeks to create and preserve quality jobs, by providing technical assistance and capital to eligible fresh, healthy food retail projects in hard to reach underserved areas.
- Initially, the program will provide \$1.8 million in support to SNAP retailers



# Honor Capital - Impact Grocers



*Census tracts of food deserts encompassing 23.5M Americans*

- Provide affordable, fresh food to at least 20 underserved low-income communities while creating at least 500 new jobs by year end 2018.
- Dramatically improve our customers' lives both nutritionally and financially by providing up to \$50,000,000 (\$2.5M per store) in savings to low income, elderly, families, and single parents.
- Achieve the return and social impact our investors seek.



# Honor Capital



**10 Stores  
Nationwide**



**3 Mobile  
Grocery Units**



**HONOR CAPITAL**  
VETERANS BUILDING COMMUNITY

# Save-a-Lot Franchise Model

- Services provided:
  - Site selection
  - Branding
  - Wholesale services
  - New store incentives
  - Training
  - Operational Assistance
  - Merchandising
  - Store Layout & Design

# Franchise Model – Benefits for financing

---

- *Golden rule in grocery financing: the borrower must have grocery experience*
- While Honor Capital had 1-2 years of experience, they benefited from the franchise model with:
  - Existing brand and marketing support,
  - Financial incentives from SAL,
  - Store design and merchandizing support,
  - Wholesale services with strong private label program, and
  - Ongoing business support.
- Veteran company ownership and leadership provides significant organizational capacity and strength.

# Winfield, KS



15,000

Square-feet of new retail

30+

full-time or part-time jobs  
created & retained

- Opened on February 17<sup>th</sup> in the county seat for Cowley County and is in a rural food desert.
- The Economic Director of Cowley County described a grocery store in this location as the **“number one need for the citizens of the county.”**

<https://vimeo.com/184718279>

# Nine Store NMTC Financing

- Permanent financing for 9 stores in 6 states (KS, OK, SC, GA, VA, & NC)
- Combination of 3 existing Honor Capital stores, acquisition of 3 existing Save-a-Lot stores and 3 new stores.
- Financing in partnership with Enterprise (Loan Fund and CDE), IFF, Chase and Reinvestment Fund.
- Financing supported equipment and installation, store updating, inventory, marketing and working capital.

270+

full-time or part-time jobs  
created & retained

40,000

low income shoppers served

# Contact Information

---

## **Marcus Scarborough**

Vice President – Community Engagement

Honor Capital, LLC

[Marcus.Scarborough@honorcapitalllc.com](mailto:Marcus.Scarborough@honorcapitalllc.com)

210-793-7383

@HONORCAPITAL

## **Donna Leuchten Nuccio**

Director of Healthy Food Access

Reinvestment Fund

[Donna.Nuccio@reinvestment.com](mailto:Donna.Nuccio@reinvestment.com)

215-574-5881

@ReinvestFund @ReFresh\_News